



Sons In Retirement Inc.
MINUTES - State Board Meeting
Veterans Memorial Building,
420 Admiral Callaghan Lane, Vallejo, California 94591
Tuesday, January 15, 2013, 10:00AM



Attending State Board Members

President-Richard Dettmer	Director, Region 3-Jon Moninger
Vice President-Maynard Rodland (Absent)	Director, Region 4-Bobbie Hairston
Secretary-Richard DeVoe	Director, Region 5-George Kranen
Assistant Secretary-Ronal Flagel (Absent)	Director, Region 6-Dean Steichen
Treasurer-Mike Berry	Director, Region 7-Richard Kabanek
Assistant Treasurer-Jim Long	Director, Region 8-Edward Dorn
Director, Region 1-Bob Roberts	Director, Region 9-Gale Jeffers
Director, Region 2-Ralph Lingis	Director, Region 10-James Filippo

Attending Invited Participants

Past Presidents-	Sports-T. Roger Danielson (Absent)
Jim Donovan-Certificates	Golf-Don Andrews (Absent), Jerry Strain
Art Pufford	Growth & Membership-Jerry Milano
Dwight Sale-State Advisor/Parliamentarian	Insurance-Angelo Coero (Absent),
Jim Stedman- Nominating	John Thomason
Rules-Larry Powers	Travel-Larry Garvin
Arrangements-Bill Lewis	Bowling-Del Locke
SIR Happenings-Don MacGregor (Absent)	

Call to Order

President Dettmer called the meeting to order at 10am.
Secretary Dick DeVoe verified there was a quorum.
Region 1 Director Bob Roberts led us in the Pledge of Allegiance and gave the Invocation.

Welcome- Attendee Recognition- Minutes

President Dettmer welcomed the attendees and thanked them for coming.
The November 13, 2012 State Board Meeting Minutes stand approved as written.

Installation of 2013 State Board Members

President Dettmer installed Region 2 Director Ralph Lingus and Region 5 Director George Kranen.

Treasurer's Report for 2012

Treasurer Mike Berry provided a recap of 2012, referring to the handouts previously distributed. SIR is in better shape year-end 2012 than it was in 2011. Balance sheet assets increased \$19,000 (vs. a \$38,000 loss in 2011) to \$81,500. Approximately \$25,000 of the \$81,500 balance is due to an insurance reserve established years ago. The principal reasons for the difference were the 2011 misuse of funds followed in 2012 by a substantial reimbursement, and the 2011 purchase of banners and other promotional materials followed in 2012 by strong sales of those materials. Annual revenue from branch assessments continues to decline at essentially the same rate as SIR's membership decline. For example, the 800 member decrease in 2012 will negatively impact revenues by \$3200 annually, based on the current \$4/member annual assessment rate.

State of SIR

President Dettmer thanked Past President Jim Stedman and Mike Berry for their leadership in resolving the funds misuse problem occurring in 2011. Focus on helping turn around the continuing membership decline and loss of branches is of paramount importance to leaders at all levels. Form 27 is in its 4th year and shows signs of success, particularly in requiring branches to focus on specific performance-related data. The 10% new

members/70% attendance goals have been successful in raising branch awareness that a never-ending strong recruiting effort is required to survive longterm. Going forward, branches must learn that attrition is a key factor in setting their recruiting goals. Otherwise, those with attrition levels consistently higher than recruiting levels will continue to weaken their survivability with each passing year.

He stated that the 2013 budget will be a challenge which will be discussed later in the meeting. SIR's loss of 800 members in 2012 was 4.6% of membership. The effect on finances through continued membership decline will force significant infrastructure and other changes in SIR for the future at all levels.

Knowledge is key. Leaders must speak, hear, and see the bad as well as the good. For example, Big Sirs who often have little-to-no experience with their branch's membership history must become aware of their longterm membership trends, most of which have membership peaks considerably higher than the current level. The more information we can give our branch leaders about their risk of survival based on other branches that have failed, the better decisions they can make to reduce or eliminate their risk.

The bond between Big Sirs and Area Governors must be strengthened more than ever before. At the same time, Area Governors must focus as much time as possible toward troubled branches that are still considered salvageable. In addition, they must show healthy, successful branches proper appreciation for the good work they have done and are doing.

Branch Incorporations

State Advisor Dwight Sale summarized from his personal knowledge and experience why SIR has more unfilled incorporated branches than needed for the future. It was moved, seconded, and approved (m/s/a) to decrease the existing number of unfilled branch incorporations from 18 to 10.

Assistant Treasurer's Report

Assistant Treasurer Jim Long advised Regional Directors of branch Form 28's that had not been received by Jan. 10. He also emphasized that branch audits on Form 29 are soon due, with submittals to Area Governors and Assistant Treasurer to be completed by end-February.

Membership and 2013 Goals

Without objection, President Dettmer advised that the branch goals of at least 10% new members/70% would remain in place for 2013- consistent with the information provided at the October Training Session. The SIR Happenings will include his article on the goals, with emphasis on branches establishing a 10% new member goal or increase it to the attrition percentage rate, whichever is higher.

CA Franchise Tax Board Business

Treasurer Berry stated that any branch receiving a letter from the CA Franchise Tax Board involving withholding taxes should ignore the request. He will work with the Franchise Tax Board to clarify that SIR has no tax withholding requirement.

Currently an "electronic post card" must be filed with the Franchise Tax Board for every branch annually in May using each branch's separate EIN number. Instead, Treasurer Berry hopes to establish one SIR-wide Group EIN number that can be filed, replacing all the separate filings.

Treasurer's Report for 2013

Treasurer Berry stated that the budgetary process is shaking out well, to the point that SIR now can consider giving individual leaders responsibility for specific portions of future budgets. He thanked those Board Members and State Committee Chairmen who provided their input into the 2013 budget preparation. Using that information in conjunction with data from 2011 and 2012, the 2013 budget shows a shortfall of \$13,000, which would reduce the year-end 2013 balances by a like amount.

The projected shortfall is primarily due to a \$3200 revenue loss from decreased membership, other non-recurring 2012 revenue, and an expense increase of \$5,000 allocated to a new trial membership recruiting program for testing in Region 8.

The obvious options are: (1) Consider the budget realistic for 2013, with the shortfall covered by current assets. (2) Increase the branch assessment and other revenues sufficiently to eliminate the shortfall. (3) Reduce expenditures sufficiently to eliminate the shortfall. (4) Do a combination of the above.

There was consensus that in 2013 SIR continue to operate as normally within its State Committees and through its Regional Directors/Area Governors. It was m/s/a to adopt the 2013 budget as submitted, with the notation that all leaders are encouraged to trim meetings, mileage, and meals expense. Consideration to increase the branch assessment was deferred to a future Board meeting, pending results of expense reduction efforts.

Growth & Membership Committee

G&M Chairman Jerry Milano distributed a packet which he used as the basis for his presentation. It graphed SIR's troubling membership decline from 2004-present, including annual membership percentage losses reflecting a decrease averaging 4% in recent years vs. 2% previously. It also contained bar charts of the 50 closed branches since 1988, showing that branch size or location doesn't matter.

Membership attrition is hurting SIR in so many important ways- weakened branches, closed branches, fewer and fewer larger branches, reduction in assessment revenues, shortfall in State revenues vs. expenses, and ever-increasing pressure to raise branch assessments.

Growth is paramount in order to continue operating as in the past, and yet SIR cannot even stem its losses. To help combat the membership problem, the G&M Committee has established four Growth Projects during 2013:

1. Direct Mail Advertising, a trial recruiting campaign targeting younger retirees in Region 8.
2. Stronger Branch Support including logo/banner materials, training, and branch membership analysis.
3. Strategic Alliances with women's organizations and human resource departments of large employers.
4. New Branch Initiatives, targeting prospective cities projected to have a high probability of recruiting success.

Nominating Committee

Nominating Committee Chairman Jim Stedman gave a brief update on the committee's progress toward identifying qualified candidates.

2012 Form 27 Membership Report

G&M Committee's Form 27 Subcommittee Chairman Jim Stedman summarized in his 2012 Membership Report the extreme difficulty in stabilizing so many weakened branches for the future:

< 3090 members were lost. With 2133 inducted, SIR suffered a net 848 member loss.

< Average branch size was over 200 members 20 years ago; today it is 127.

< Branch members' average age has become much older at the same time branch average size has been declining.

< Only one-half of all branches have shown they can recruit at least 10% new members annually, the minimum considered necessary to stabilize memberships.

< Seven branches closed in 2012, greater than any previous year. The seven averaged 76 members prior to their closings. The 60 smallest of our remaining branches also average 76 members (ranging from 29 to 100 members). These figures indicate branch closings will continue unabated for years to come.

< It will take a long time, enduring year-after-year net losses, for SIR to stabilize membership due to the condition of its weakened branches.

Healthy branches are the key to stabilization, and stabilization can only be achieved by recruiting at a minimum of 10% new members annually.

INFOSYS Committee

Committee Chairman Dean Steichen briefly summarized the maintenance, administration, and progress involving the various INFOSYS subcommittees, including the SIR website/databases/Sir Happenings.

Rules Committee

Rules Committee Chairman Larry Powers introduced three rule proposals, which were m/s/a:

1. Rule 136, establishing more specific instructions and deadlines to help minimize the Form 20 tardiness problem.
2. Rule 178, prescribing that each branch send a copy of its roster to the State Roster Subcommittee Chairman, rather than to the State Secretary as currently done.
3. Rule 810, changing the April special State Board Meeting to a regular meeting.

Travel Committee

Travel Committee Chairman Larry Garvin stated that the 55th Anniversary Cruise to Alaska 7/28-9/7/13 has 350 participants statewide at this time. He mentioned that the back of the application has instructions on a discounted deposit from \$450 to \$100 per person. The Committee intends in 2013 to propose revisions to the extensive travel rules in the SIR Manual. Retention of travel documents by the Committee was clarified to be at the Committee's discretion.

Golf Committee

Golf Policy Subcommittee Chairman Jerry Strain submitted the 2013 State Golf Schedule, which was m/s/a for on or about the dates shown.

Insurance Committee

Past Insurance Committee Chairman John Thomason stated that the insurance broker will be meeting with the Committee this month to finalize the annual premium.

Certificates

Certificates Chairman Jim Donovan distributed his 2012 Certificates Report:

42 HLM (+16%), 19 Senior HLM (+12%), 8 Century Sir (+100%), 52 Super Senior (+73%), and 245 Senior SIR (+10%) certificates were made in 2012.

Bowling Committee

Bowling Committee Chairman Del Locke submitted the 2013 State Bowling Tournaments Schedule, which was m/s/a for on or about the dates shown. It contains 21 tourneys vs. 20 in 2012. At President Dettmer's request, the Bowling Committee will continue to pursue the possibility of a State Bocce activity.

River Cats SIR Day

Region 3 Director Jon Moninger distributed a flyer describing SIR Days at Raley Field, home of the Sacramento River Cats baseball team. It was m/s/a to allow July 13 and August 26 be established as "SIR Day" for those games at Raley Field.

Regional Directors' Reports

Each Regional Director made a brief report on his region, including such items as filling Area Governor/branch leadership positions, reporting on membership goals, and summarizing branch closings/mergers/activities/operations.

Adjournment

President Dettmer stated the next State Board meeting will be Tuesday, April 2 at the same location. He adjourned the meeting at 2:35pm.

Respectfully submitted,

Dick DeVoe- Secretary